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ABSTRACT

Intended to provide background information and preliminary policy options for the California Community Colleges' Commission on Innovation, this document explores changes in local and systemwide college governance to enhance efficiency and effectiveness. Following introductory materials detailing the Commission's charge, the current state governance system is reviewed, including a history of governance systems from 1910 to 1992 and a discussion of the role of the legislature, the Board of Governor (BOG) and Chancellor's Office (CO), and the district boards. This section also describes the governance system in practice, indicating that the BOG has limited authority over the colleges, the legislature micromanages college affairs, and interest groups dominate the policy making process. Next, the paper proposes the establishment of a unified and coherent community college system with increased local college freedom and accountability called coordinated decentralization. The following features are described: (1) the BOG would assume from the legislature the principal governing authority for the system; (2) the BOG would delegate broad authority for college operations to local districts; (3) Chancellor's Office staff would become employees of the California Community Colleges, and would no longer be hired under laws of the Civil Service system; (4) district governing boards would be expanded to include members from sectors in the community with a stake in the colleges; (5) districts would emphasize policy oversight for accountability rather than administrative decision-making; (6) the system would establish common student performance standards and accountability procedures; and (7) the systemwide budget would include incentives for the support of statewide priorities. (Contains 52 references.) (KP)

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ED 372 812

COORDINATED DECENTRALIZATION

Restructured Governance for the New Community Colleges

Commission on Innovation

Policy Discussion Paper #6

December 1992

U.S. DEPARTMENT OF EDUCATION
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ABSTRACT

If, in spite of resource limitations, the community colleges are to meet the demands of student growth, increasing diversity, and the need for much higher levels of education and training, they will have to make significant gains in efficiency and effectiveness. Their efforts to do so are often impeded by a governance system that does not provide them with the authority and flexibility they need in order to take bold action.

This policy discussion paper suggests that limitations on the authority of community college governing bodies at the state and local levels, legislative micro-management of college affairs, and domination of the policy making process by college-related interest groups have impeded college efforts to become more efficient, strengthen accountability, and become more responsive to individual, community, and statewide needs, including college support for local, regional, and statewide economic development.

To stimulate debate on alternative governance designs, this paper proposes as the key principle for restructuring community college governance the establishment of a unified and coherent community college system with increased local college freedom and accountability. We call this principle *coordinated decentralization*. The paper presents a governance model designed in keeping with this principle. In this model, the Board of Governors would assume from the legislature the principal governing authority for the system, and would in turn delegate broad authority for college operations to local districts. District governing boards would be expanded to include members from sectors in the community with a high stake in the colleges, and would emphasize policy oversight for accountability rather than administrative decision making. The system would establish high common student performance standards and would institute accountability procedures based on student performance assessments, and the systemwide budget would include incentives for the support of statewide priorities and outstanding programs.

PREFACE

California's community colleges are facing a period of unprecedented growth in the number and diversity of students who will seek an education before the turn of the century. More students, especially from minority and poor backgrounds, will want to enter community colleges as their best——and often only——gateway to the higher levels of education necessary for success in an increasingly technological and competitive world. Yet the dual pressures of growth and limited budgets could reduce access precisely for those students for whom community colleges have traditionally been the principal avenue for equal educational opportunity.

Despite these pressures, the California Community Colleges are committed to ensuring access for all students, and, in particular, to increasing the retention, completion, and transfer rates of ethnic minority and low-income students. To do so, the colleges realize they must introduce far-reaching changes in instructional programs, management strategies, relations with other sectors of society, and the use of facilities and resources.

The Commission on Innovation was formed by the California Community College Board of Governors in November, 1991 to address these concerns. With the colleges facing continuing budget pressures combined with unprecedented growth in student numbers and diversity, the Board realized that "business as usual" would no longer be possible, and asked the Commission to identify innovative ways in which the community colleges could respond to these challenges. The Commission was asked to write a report that proposes policies which build on the colleges' proven record of excellence in order to achieve higher quality, more cost-effective instruction and management for an era of growth and diversity marked by limited budgets.

As an aid to the Commission in its deliberations, the Chancellor has asked the Commission staff to prepare a series of Policy Discussion Papers that provide background information and *preliminary* policy options for Commission consideration. These staff papers are intended specifically to stimulate discussion from which the Commission can give direction to

the staff to further the research and policy analysis process. All the papers are widely circulated in order to facilitate discussion among community college professionals and feedback from the field. The papers are based on reviews of relevant literature and discussions with community college professionals, technical experts, and other knowledgeable observers, and address a number of areas the Chancellor has asked the Commission and the three **Challenge XXI** Task Forces on Management, Instruction, and Facilities to consider:

- How could facilities be more efficiently used and planned in order to accommodate growth and save money?
- How could the colleges use technology in order to enhance learning, improve management, and increase cost-effectiveness?
- How could partnerships between the community colleges and business be better utilized and further developed to help enhance community college growth and diversity, deal with college resource limitations, and address issues of economic development?
- How could the colleges achieve continuous improvement in the quality and efficiency of their management and their services to a diverse clientele?
- How could the community colleges become more effective learning environments for an increasingly diverse population, and in particular assure that underserved students receive the academic preparation required to prepare them for transfer?
- What changes in systemwide and local college governance could enhance the colleges' efficiency and effectiveness?
- What additional steps should the system take to ensure accountability for efficiency and effectiveness?

The Chancellor has made it clear that the answers to these questions must all address a common underlying theme: how the California Community Colleges can ensure access for all students, and increase the retention, completion, and transfer rates of ethnic minority and low-income students.

This Policy Discussion Paper addresses the issue of how changes in local college and systemwide governance could enhance efficiency and effectiveness. The paper discusses the

current system of governance and considers how governance might be restructured to meet the needs of the future.

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A. INTRODUCTION

The Commission on Innovation and **Challenge XXI** Task Forces have been considering ideas for managing community colleges more efficiently, cutting facilities costs, improving instruction for diverse students, expanding the use of technology, and strengthening college relationships to business and industry. Discussions of these issues at Commission and Task Force meetings have revealed a recurring theme: Community colleges today are, on the whole, providing quality education programs, operating efficiently, and making progress toward a strengthened system of accountability. There are many outstanding programs and practices, despite tight budgets and despite concerns that the current system of governance does not work well and needs to be redesigned.

The colleges are facing a new and unprecedented challenge in the combination of growing enrollment demand, increased student diversity, limited budgets, and the need to provide students with much higher levels of education and training for an increasingly technological and competitive economy. To meet this challenge, the colleges will need to make further gains in efficiency and effectiveness; yet, many practices that could enable them to do so cannot be implemented due to regulatory obstacles. In recent discussions with the Commission, for example, **Challenge XXI** Task Force members identified a number of ways in which savings could be achieved in the construction, acquisition, and operation of new college facilities, but pointed out that current statutory and regulatory restrictions prevent the system and colleges from taking these steps.

Inevitably, then, these discussions turn to questions of governance: How could the colleges achieve the independence of action they need in order to become more efficient and effective? Could the necessary changes be effected by improvements to the current community college governance system, or should governance be restructured? If the colleges became more independent, how could their accountability be assured? The next section of this paper examines ways in which the current governance system can impede efforts to enhance college efficiency and effectiveness. The last section discusses a governance model designed to strengthen college efforts to become more efficient, effective, and responsive to

local and statewide needs. It is hoped that these ideas will stimulate a broad discussion of how governance might be restructured.

B. THE CURRENT GOVERNANCE SYSTEM

Background

When California's two-year public colleges were established in the first decade of this century, they were organized and governed by local school districts, with state level administrative responsibilities placed in a small unit of the State Department of Education.[1] In 1921, the legislature authorized the creation of separate junior college districts, while continuing to authorize local high school districts to offer junior college programs.[2] Thus, the first 60 years of community colleges in California saw two closely related——and largely co-existing——governance designs:

1. *Local governance by high school or unified districts, with state policy direction from the legislature[3] and the State Department of Education* (1910-1967).

2. *Autonomous local districts, with state policy direction from the legislature and the State Department of Education* (1921-1967).

The first Master Plan study in 1960 found that "junior colleges could use somewhat more attention than they have been receiving from the state agencies that are charged by law with making rules and regulations for them,[4] and subsequent legislation[5] did specify a slightly expanded supervisory role for the State Board of Education. Later reviews by an Assembly

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[1]In 1907, the legislature authorized high school districts to provide post-graduate course work equivalent to the first two years of colleges courses; in 1910 the first two-year college program (enrolling fewer than 30 students) was established by the Fresno Board of Education.

[2]In 1927, the legislature also approved the formation of joint high school-junior college districts. Over time, the two-year colleges gradually pulled away from the high schools, but it was not until the mid 1980s that every community college district in the state was autonomous.

[3]Through a detailed and extensive body of statutory law, the Education Code.

[4]Quoted in Board of Governors of the California Community Colleges, 1986, p. 10.

[5]The Donahoe Higher Education Act of 1960, which defined the roles of the three segments of public higher education in California.

Interim Committee on Higher Education and by the Coordinating Council for Higher Education (CPEC's predecessor) found this supervision to be inadequate, and state level responsibility for community colleges was transferred by the legislature in 1967 to a new Board of Governors (BOG) and Chancellor's Office.[6] This created a third governance design, which remains in effect today:

3. *Autonomous local districts, with state policy direction from the legislature and a community college state agency* (1967-1992).

The first six decades of community college governance had been characterized by considerable local autonomy (within the framework of an extensive body of state statutes). With the creation of the Board of Governors in 1967, discussions of governance began to focus on the issue of how much authority the Board should wield compared to that of local districts.[7] Before 1978, these discussions took place against the background of a governance structure in which the BOG exercised little leverage over local decisions. Local autonomy had been a long tradition and was widely supported, and the legislature had not delegated to the BOG any authority to control local budgets, set curriculum standards or program priorities, or hold local authorities accountable for the quality of their services. With the passage of Proposition 13 in 1978, responsibility for community college funding shifted from local boards to the state legislature, marking the beginning of a gradual shift in authority to

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[6]The Coordinating Council had relied on a study conducted at the UC Berkeley Center for R&D in Higher Education (Coordinating Council for Higher Education, 1966; Medsker and Clark, 1966). The Assembly committee concluded that "the State Board of Education, charged . . . with the duty of setting state level policy for the junior colleges, has neither the time nor the inclination to do the job." (Board of Governors of the California Community Colleges, 1986, p. 16).

[7]Following recommendations made by the Coordinating Council for Higher Education, legislation was passed in 1969 aimed at delineating the powers, duties, and functions of the state and local boards. The legislation gave the Board of Governors increased authority to govern, but this authority was clouded by the legislature's failure to modify or repeal other laws that also pertained to community college governance, thereby leaving the colleges to interpret conflicting statutory delegations of authority. (Board of Governors of the California Community Colleges, 1986. See also, Task Force on Control and Coordination of the California Community Colleges, 1973, and Clark, 1980)

the state level. The legislature took an increased interest in community college affairs and the BOG began to be more active in the exercise of its prerogatives.[8]

The most recent reviews of community college governance were conducted in 1986-87 by the Commission for the Review of the Master Plan for Higher Education and a legislative Joint Committee for Review of the Master Plan. These reviews focused heavily on the delineation of authority within the governance structure of autonomous district boards and a state level Board of Governors and Chancellor's Office.[9] The Master Plan Commission recommended a major shift in authority away from local districts to the BOG,[10] but the legislature decided on a more modest course. Legislation signed into law in late 1988 gave the Board some additional responsibility for fiscal oversight of local districts and introduced important reforms (discussed below) empowering faculty to control academic and professional matters, but did little to disturb the distribution of authority between local boards of trustees, the Board of Governors, and the legislature.[11]

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[8]Between 1978 and 1986, over 1,750 provisions of the Education code affecting community colleges were added, amended, or repealed, and over 2,000 statutes regulated the BOG and local boards. Local districts also lost some of their unilateral authority to determine salaries and working conditions when legislation authorizing collective bargaining went into effect in 1976 (Board of Governors of the California Community Colleges, 1986 and 1987).

[9]See Commission for the Review of the Master Plan for Higher Education, 1986a and b; Bowen and Glenny, 1986; Commission for the Review of the Master Plan for Higher Education, 1987a, b, c, and d; Joint Committee for Review of the Master Plan for Higher Education, 1987; and Joint Committee, n.d. Community college contributions to these discussions also concentrated on how authority was to be shared and coordinated between the local and state levels (see California Community College Trustees and Chief Executive Officers, 1986; and Board of Governors of the California Community Colleges, 1987a).

[10]The Commission recommended that the BOG be given comprehensive authority over community college academic affairs, the authority to determine how state support was to be allocated among districts, and the authority to confirm local board appointment of district chief executive officers (Commission for the Review of the Master Plan for Higher Education, 1987c).

[11]Assembly Bill 1725, signed into law in September 1988, largely consolidated into one piece of legislation various statutes that had spelled out the functions of the BOG and district governing boards; their respective roles were not changed in any important ways.

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The Formal System

Today's system of community college governance has been in place for 25 years. The basic elements of the system consist of the legislature, the Board of Governors, and local boards of trustees.

Legislature. The state legislature has constitutional authority (subject to federal law) to govern California education. It establishes the colleges' missions, decides what kinds of students are to be admitted to the colleges, prescribes student fees, establishes personnel standards and procedures, approves annual appropriations for funding the colleges (including funds for special and categorical programs), approves capital outlay funding, and establishes a specific statutory formula for calculating each community college district's total funding entitlement. Altogether, the legislature regulates the community colleges through more than 1,200 statutes in the Education Code. While the legislature has thus reserved extensive authority, it has also assigned other, highly specific authority to the Board of Governors and local boards of trustees.

Board of Governors/Chancellor's Office. The Board of Governors[12] has been charged by the legislature with providing leadership, direction, and general supervision of the colleges and with "maintaining and continuing, to the maximum degree permissible, local authority and control." The Board is required to establish minimum standards in a variety of areas (student academic standards, employment, formation of new colleges and districts, credit and non-credit classes, procedures governing faculty, staff and student participation in local governance decisions), provide systemwide information services, evaluate district fiscal and educational effectiveness, conduct systemwide research, and prepare an annual budget for submission to the Department of Finance. The Board is also charged with coordinating interdistrict, regional, and statewide programs and services, and approving district academic

[12]The BOG consists of 16 members. Thirteen members, including two who are current or former members of local district governing boards, are appointed by the Governor (with state Senate confirmation) to staggered six-year terms. A student member also sits for a one-year term, and two tenured college faculty members serve for two-year terms.

and facility plans and district educational programs, as well as all courses that are not part of an approved program. In order to execute its functions the Board is empowered to adopt state regulations, subject to a number of procedural requirements.

The Office of the Chancellor is the executive arm of the Board of Governors. Chancellor's Office staff have responsibilities for administration of an accountability system required by AB 1725, systemwide research, personnel and employment issues (including affirmative action and staff development), transfer, vocational education, and economic development policies, student services (including administration of categorical programs), fiscal issues, and information services. The bulk of this work is conducted in order to meet requirements promulgated by state or federal statutes or BOG regulations. With the exception of the Chancellor and six other positions in the Chancellor's office, all employees of the Board (i.e., of the Chancellor's Office) are hired under the laws of the state Civil Service system rather than by the California Community Colleges.

District boards. District boards of trustees[13] hire district administrators, staff, and faculty, and are authorized to establish any regulation that is not in conflict with a BOG regulation or state or federal law. They are directed by statute to develop comprehensive educational and facilities plans, establish policies for and approve courses and educational programs, establish student academic standards and personnel employment practices, and develop procedures to ensure faculty, staff, and student participation in local governance decisions. All board decisions in these areas are subject to BOG approval or must be consistent with minimum standards set by the BOG. District boards also decide how district and campus budgets are spent and conduct collective bargaining with organized faculty and staff.

Local board decision making processes now also recognize the importance of an academic leadership role for faculty and the desirability of encouraging the participation of

[13]District boards of trustees are composed of from five to seven members elected to four-year staggered terms; one district has nine trustees.

college faculty, staff, and students in shaping local policy decisions. Both the BOG and district boards are directed by AB 1725 to ensure that faculty senates "assume primary responsibility for making recommendations in the areas of curriculum and academic standards," and that faculty, staff and students are given the right to "participate effectively in district and college governance." BOG regulations promulgated pursuant to this statutory requirement direct local boards to consult with staff and students before making policy affecting their interests, and require boards to consult collegially with and rely primarily on the advice and judgment of (or reach mutual agreement with) their academic senates on academic or professional concerns. These arrangements (called "shared governance") have made it possible for faculty, staff and students to participate actively in local policy decisions, and particularly for district academic senates to play a leading policy role on academic and professional matters. Some districts have a long history of dedication to the principles of shared governance; AB 1725 extended these practices to all districts.

Governance in Practice

The most salient feature of community college governance is the central role played by the legislature, while other governing bodies have been assigned specific but limited authority that is often shared or overlapping. In particular:

- **Community college governing bodies have limited authority.** The legislature has not delegated to the BOG the broad authority to govern the community colleges, but has assigned to the Board only specific and limited powers. While the Education Code appears to give the Board considerable authority (summarized above), actual BOG prerogatives have been limited by extensive detailed legislation, and most Board regulations are promulgated as the result of a specific legislative requirement. The Board remains essentially an agent of the state rather than the governing body of a postsecondary system with authority to make rules, allocate resources, and hold local officials accountable for outcomes. Thus, the Board's executive arm——the Chancellor's Office——often finds itself functioning as a de facto arm of the legislature; its powers are circumscribed by the limits on BOG authority. While in recent years the

Chancellor's Office has made a greater attempt to employ staff who have had experience at community colleges, the Office is still largely staffed by employees with no college experience who are hired under the state Civil Service system. And while the legislature has provided for the creation of independent local districts, the powers of local governing boards are similarly limited by an extensive body of statutes and regulations, and by their inability (since 1978) to determine their own revenue levels.

- **The legislature micro-manages college affairs.** The evolution of the community colleges from their early association with high schools has led to the creation of a governance system based on the elementary/secondary model of local boards with a relatively weak state-level governing agency. Without a strong system-level governing authority for the community colleges, the legislature has had to govern by statute. Therefore, many detailed processes that in a postsecondary system would ordinarily be left to administrative rule-making at the state or local level have been specified in detail in the Education Code. Often, the legislature prescribes specific policies in the same areas where it has nominally assigned authority to the Board of Governors or local boards of trustees.[14] For example, the Education Code requires the BOG and local boards of trustees to make rules covering employment and personnel practices. But the same legislation also includes detailed statutory specifications for minimum qualifications for faculty, specifies the precise percentage of full-time faculty that districts must employ, and sets the maximum length of contracts that districts may execute for the employment of certain types of administrators.[15]

- **Interest groups dominate the policy making process.** Because the legislature plays such an active role in community college governance, the major stakeholders in the system have developed and refined their ability to secure favorable legislation or to

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[14]Many laws are also overlapping and inconsistent, "because [they] have been added piece-meal, and because there has been little or no effort to interrelate them with one another." (Nussbaum, 1992)

[15]The Education Code also directs the BOG and local districts to agree on outcome measures to be used for evaluating educational programs, but places in statute a long list of outcome measures that must be used.

block legislation seen as harmful to their interests. All major interest groups (and eight college districts) maintain lobbyists in Sacramento and spend a considerable amount of time preparing their "legislative agendas."[16] This further limits the practical authority of the Board of Governors, since districts or interest groups unhappy with Board decisions can——and often do——go directly to the legislature to seek relief. Major interest groups come together as a coalition when they agree on policies designed to provide something for everyone. They can then become a powerful force for legislation (e.g., AB 1725) that meets their objectives. But when there is widespread disagreement on the appropriate response to a legislative initiative, the legislature concludes that the community colleges are unable to speak with a unified voice, and so should not be trusted with more authority. This reinforces legislative micro-management of the system.

There is a broad consensus in the state policy community and among community college professionals at all levels that variation in local needs and conditions requires governance that provides a substantial degree of local autonomy. Many——including the 1987 Commission for the Review of the Master Plan——have also concluded that strong state-level governance is desirable in order to provide leadership and make policy on statewide and regional issues, and to represent systemwide interests. In theory, the current governance system meets both these needs by providing a balance of authority that preserves the colleges' traditional local control without sacrificing desirable statewide leadership and coordination. In practice, neither goal has been fully achieved. At the state level, the BOG has no authority to allocate resources within the system, define required outcomes (beyond minimum standards), or hold local officials directly accountable for achieving such outcomes. Nor can it require local districts to cooperate in order to eliminate redundant academic programs or

[16]There are five faculty interest groups (the Faculty Association, CTA, AFT, Independent Unions, and Faculty Senate), CEOs and trustees associations, an administrators' association, and associations of urban and small districts, as well as about three dozen other statewide organizations and associations, including organizations representing chief instructional officers, student services administrators, counselors, business officers, students, librarians, and various ethnic groups. Many organizations put substantial resources into keeping track of pending legislation and staying in touch with legislators on issues of concern to organization constituents.

help meet local or regional economic development needs (e.g., by designing specialized training programs in which more than one district participates).[17] As a practical matter, the Board's regulatory authority is limited politically by the ability of districts and interest groups to go directly to the legislature if they feel the Board is acting against their interests. The Chancellor's Office must act within the scope of these limitations on BOG authority; its success in providing statewide leadership and direction depends largely on the personal influence of the Chancellor rather than the authority of the Office. Moreover, the Chancellor's Office is disadvantaged by its state agency status, which makes it difficult to fill staff positions with experienced and expert professionals from the colleges.[18]

Local boards of trustees also find themselves heavily bound by state statutes. These laws (and many Board regulations) specify "processes, procedures, or special methods of operation that must be followed [and] thereby direct the manner in which community colleges are to deliver services rather than simply relying on the system to accomplish specified educational outcomes."[19] District academic programs must be approved by the Board of Governors (as are courses that are not part of pre-approved programs); state statutes detailing employment qualifications for instructors restrict the freedom of college faculty to decide who is best fit to teach at their institutions; and local authority to decide on other employment rules and personnel practices is heavily circumscribed by state law. The BOG is allowed by law to delegate its authority to local boards, and has taken steps to place more decision making autonomy in local hands in areas where it has the freedom to act. On the

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[17]The Board is required by law to approve all district academic programs, and can decide not to approve a program if another program offering the same curriculum is available from a neighboring district without hardship to students. In practice, programs are rarely turned down for this reason, and the Board does not require districts to tell prospective students that the program they need is offered at a "rival" district nearby.

[18]Because the Chancellor's Office is a state agency rather than the executive of a systemwide governing board, its employees (with the exception of the Chancellor and six exempt positions) are hired under the laws of the state Civil Service system. "Position classifications are subject to review and approval by the State Personnel Board, Department of Finance and Department of Personnel Administration. . . The total number of authorized positions is subject to strict review by the Department of Finance, and additions must be approved by the Legislature and the Governor. Salaries and terms and conditions of employment are subject to collective bargaining under the State Employer-Employee Relations Act." (Board of Governors of the California Community Colleges, 1986)

[19]Nussbaum, 1992.

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whole, however, BOG authority is so carefully delineated——and districts so bound by statute——that there are limits on what the Board can do to enlarge local autonomy.

Since authority outside the legislature is shared between local and state-level governing bodies, both levels could in principle enhance their ability to get things done if they worked cooperatively. Complex consultative mechanisms have been created to develop policy agreements among the BOG, local districts, and various interest groups. Such agreements are reported to be more common now than they had been a few years ago, but incentives to seek agreement remain weak and agreements are often unstable, because stakeholders can go to the legislature to secure statutory support for their preferred policies or block policies they disagree with. On balance, then, community college governing bodies at the state and local levels are tightly bound by a vast body of statutes that significantly limit their power to fulfill the colleges' missions in ways they think best. These limitations on their independence and authority have made it harder for the colleges and the system to operate more efficiently, build a stronger system of accountability, and respond more effectively to individual, community, and statewide needs. The balance of this section discusses these issues.

Operating More Efficiently

The community colleges face enormous pressures from the combination of student growth and scarce resources; they already accept thousands of students for whom they receive no state financing. In order to continue serving as many students as possible, the colleges must find ways to operate at higher levels of efficiency.

The colleges have shared missions, serve broadly similar clientele, and engage in extensive communication and consultation. But they are not yet a unified and coherent system; with 71 independent districts, they are a "system" that is only loosely bound.[20] In a unified

[20]AB 1725 established the California Community Colleges in statute as a "postsecondary education system consisting of community college districts . . . and the Board of Governors. . ." This establishment was largely symbolic, however, since it did not also enable the colleges to act as a unified system by changing the way authority was to be exercised by the legislature, the BOG, and local boards of trustees.

system led by a stronger central governing agency, improvements in efficiency could be facilitated by setting systemwide technical standards, making centralized purchasing services available to districts, expediting inter-district cooperation, and maintaining flexible capital outlay budgets. For example, common technical standards for data management would make it easier and less expensive for the districts to supply——and the Chancellor's Office to use——Management Information System and accountability information.[21] A number of districts have formed voluntary consortia in order to coordinate their data management activities and minimize costs, in part by joining in the purchase of common computer hardware and software. Most districts, however, continue to make their own technical decisions and equipment purchases, whereas a greater degree of systemwide agreement on hardware and software standards for data management would provide new opportunities for the system to pool its purchasing power in order to reduce the cost of new technology. Similarly, common technical standards, inter-district cooperation, and system-level purchasing would make it less expensive to introduce or expand the use of instructional technology (e.g., to lower the cost of distance education through cooperative arrangements). Without strong central leadership, districts have also had few incentives to cooperate in order to save costs through joint facility planning.[22]

Current governance arrangements also impede college efforts to save money when new facilities are built. Districts sometimes find themselves locked in to the construction of facilities they know will be outdated by the time they are completed, and may have to be retro-fitted in the future at substantial expense. Once facilities plans are approved, funding levels cannot be changed without special legislative approval, even if it would be more efficient in the long run to spend some additional money up front to take advantage of new

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[21]A 1991 study of prospective state and local implementation costs for the accountability system mandated by AB 1725 found "a wide assortment of local practices and capabilities," in contrast to some states with fully integrated computer systems and networks. Variations in data quality among districts were so great that the study was unable to develop a reliable cost projection. (Strategic Planning Associates, 1991)

[22]As one college president said to us in the course of our work on this topic, "Why should I cooperate with one or two other colleges to plan, say, a specialized new training facility that might enhance regional economic growth, when I know that the facility will probably be built on one of the other campuses? What's in it for me?"

information on available equipment or technology. Moreover, districts cannot take advantage of opportunities to purchase commercial buildings at low cost, because complex state agency and legislative approval processes for capital outlay expenditure take several years to work through. The Chancellor's Office does not control the system's capital construction budgets, so the system has no room to become more efficient in this area.[23]

Efforts to improve efficiency are also complicated by wide variation in district resources and technical expertise. Some districts, for example, find it difficult to develop sophisticated plans that could help them save money on new facilities or instructional technology. Notwithstanding these opportunities for cost savings, the Chancellor's Office does not have the necessary staff expertise for providing technical assistance to these districts, and many of its staff have no experience in community colleges. Moreover, much of the time of Chancellor's Office staff is absorbed in monitoring district compliance with various statutes and regulations,[24] developing BOG legislative proposals, keeping track of legislation, and reacting to proposed bills that affect the colleges.

Much of the Chancellor's Office compliance monitoring is focused on district implementation of state (and federally) funded categorical programs. In response to legislative directives, districts now write and implement separate plans for a host of special programs, including matriculation, DSPS (services for disabled students), EOPS (services for low-income students), faculty and staff diversity, student equity, transfer centers, and staff development. Most of these programs also have mandated advisory committees. Taken alone, each program serves laudable goals that districts might well choose to pursue if they could do so in ways they deemed most efficient. From the perspective of districts with scarce resources, however, the detailed process and reporting requirements of multiple and in many ways redundant special program laws or regulations are a drain on scarce time, staff

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[23]See Policy Discussion Paper #2, *Cutting the Cost of New Community College Facilities: Streamlining the Facilities Approval Process.*

[24]Districts currently submit over 100 reports each year to the Chancellor's Office.

and money. Nor, as noted above, do districts have much flexibility in personnel matters; the law specifies the precise ratio of full-time to part-time faculty that all districts must try to attain, the percentage of their state budget allotments that must be spent on instruction, and a wide variety of other specific personnel rules that restrict district choices. These laws might be perfectly sensible in any given case, but they do not account for varying local conditions. With sufficient local authority, districts could establish personnel rules that were faithful to the broad intent of current legislation but supported more efficient operations.[25]

Building Stronger Accountability

The legislature has never been satisfied that the colleges have an adequate system of accountability, and this dissatisfaction has contributed to its reluctance to delegate more authority to college and system governing bodies. To remedy this perceived deficiency, the legislature (in AB 1725) directed the BOG to develop and implement a comprehensive accountability system, and specified eleven areas to be measured. The weakness of community college accountability, however, is not just that of inadequate or poorly specified outcome measures (though improvements in this area are essential). The problem is also one of governance: The lines of accountability are not clear, and without strong system-level leadership, no standards have been set that would define what common outcomes the colleges should be accountable *for*. In the absence of such standards, the legislature is likely to hear conflicting views about the meaning of the various outcomes that may be measured using the new accountability system.

The lines of accountability are not clear because the community colleges are not a unified system under the direction of a system-level governing board charged with responsibility for

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[25]For example, the President of Santa Monica College recently testified to the Assembly Committee on Higher Education that all elements of the college (Board of Trustees, unions, Academic Senate) had agreed that the rules under AB 1725 should be postponed for a year due to the state revenue squeeze. "The state has instead micro-managed the community colleges' mandated expenditures. . . Our early retirement plan paralleled the UC and CSU plans, but then the state legislators required us to replace each faculty member who retired. Twenty faculty members retired and, as required by the state, they have all been immediately replaced. For Santa Monica College, the replacement cost to the taxpayers, including salaries and fringe benefits, is approximately one million dollars." (Moore, 1992)

system performance and possessing the authority to hold constituent agencies in the system accountable. The Board of Governors is required by law to evaluate and issue annual reports on district fiscal and educational effectiveness and to be accountable for the colleges to state governing authorities——but does not have the power to hold districts directly accountable in turn (as noted previously, the Board does not control the allocation of resources to districts or play a role in the employment of district personnel). Like the legislature, the Board can mandate processes, and can hold districts accountable for obeying state regulations, which have the force of law. And it can publish evaluations of the colleges that hold them up to public and legislative scrutiny. But it cannot specify broad outcomes and hold districts accountable for meeting them; it can only promulgate more regulations designed to require behavior that will presumably result in desirable outcomes.

For their part, districts are accountable to the legislature for conforming to statutes, but the legislature is not able to monitor district compliance with over 1,200 laws. Only an executive agency can enforce existing laws, and notwithstanding the Chancellor's Office compliance monitoring activities, the BOG has neither the mandate nor the resources to do so. If the legislature is dissatisfied it must pass more laws. At the same time, local boards are accountable to their own electorates, and to the BOG for conforming to Board regulations. For districts, multiple and sometimes conflicting lines of accountability have promoted uncertainty, caution, and the perception that safety depends on being able to play the game of interest group politics.

Responding More Effectively to Individual, Community, and Statewide Needs

The governance problems described above have also made it difficult for the colleges to respond more effectively to individual student needs or to enhance community, regional, and statewide economic development. At the individual level, students first need access to the colleges; individuals seeking community college educations are increasingly being turned away. State budget problems account for most of the growing limitation on access, but weak governance contributes to the problem. Local and system-level authorities view the access issue as one in which the colleges have no choice other than to lobby the legislature for a

larger share of the state budget. Improving access is seen entirely in terms of competing against other state interests and priorities for scarce tax dollars, whereas with sufficient autonomy districts might be able to improve access by introducing efficiencies and becoming more entrepreneurial.[26]

Access is one individual need——high quality education and training for today's information-based economy is another. As noted above, however, the Board of Governors does not have the authority to set common high standards for education and training and hold districts accountable for meeting those standards. State over-regulation of district affairs impairs the ability of districts to invent and implement new approaches to more effective service delivery; moreover, legislative control of community college budget allocations through a statutory funding formula has perpetuated incentives that weaken the quality of community college programs[27] and has denied to the system any discretionary funds that could be used to improve quality.[28] Thus, there are no resources in the system for research and development, and the BOG cannot focus additional resources in areas that might have a high payoff for students (e.g., instructional technology). Problems with coordination and

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[26]Government agencies at all levels have discovered that they dispose of significant resources——facilities, land, talent——that can be used to earn money. "Entrepreneurial governments are . . . searching for nontax revenues. They are measuring their return on investment. They are recycling their money, finding the 15 or 20 percent that can be redirected. Some are even running for-profit enterprises." (Osborne and Gaebler, 1992, p. 196)

[27]Because college income is tied to student attendance, the colleges have an incentive to offer easy classes that attract large enrollments, and to refrain from offering more difficult courses that do not attract large numbers of students. (The recent change from "ADA"- to "FTE"-based funding has not changed this incentive structure.) While in general, demand for college services now exceeds supply, a number of colleges still have available space and are below the "cap" placed on their enrollment by the state. Moreover, the historical experience of most professionals now in the system has been one of inadequate demand and a constant struggle to enroll more students in order to maintain high levels of state aid. Many find it difficult to adjust to a "high-demand" world, and the funding system gives them no incentive to do so.

[28]The legislature has provided special funding "for the purpose of improving the quality of community college educational programs and services." (AB 1725) However, the BOG is required to allocate these funds on the basis of student attendance (i.e., as in the statutory funding formula), and the legislation further limits BOG and local discretion by listing 18 specific ways in which the funds are to be spent. Funds spent for a number of these purposes would be likely to create permanent costs that would then have to be absorbed by the districts' regular budgets. Another special fund, the Fund for Instructional Improvement, has been created to support "alternative educational programs and services;" the legislation creating the fund goes on to specify 13 types of projects on which the monies are to be spent.

cooperation among districts also reduces the potential effectiveness of new technologies. New library technology, for example, could provide any student in the system with computer access to holdings at any college (or other institution). But without systemwide coordination, the community colleges may end up with multiple approaches to the use of this technology. If there are widely varying standards for computer access to the colleges' libraries, the benefits of recent technological improvements in this area may not be realized.

The same governance weaknesses that impair the colleges' abilities to respond to individual needs make it difficult for them to respond to community and statewide economic development needs. But the economic and demographic character of the state has changed, and community college clients include business and industry as well as diverse individuals. Moreover, individual interests are served when colleges work with local businesses to develop education and training plans that match local labor market needs. Many colleges are known for their ability to create vocational courses targeted to selected local employers, or provide specialized training for companies on a contract basis. But colleges that wish to be responsive to the entire spectrum of local labor market needs, cooperate on a regional basis with other segments and agencies in support of economic development, or participate in coordinated statewide development agendas, often find themselves hampered by detailed statutes and regulations that restrict the scope of their autonomy.[29] As discussed above, the BOG and Chancellor do not have the authority or capability to coordinate college planning and programs in support of regional or statewide economic development,[30] and there are

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[29]For example, state law requires colleges to have 75 percent of their faculty in full-time positions. But colleges with large contract education programs often need to use part-time faculty who possess specialized expertise in training employees at business and industry sites. These faculty are often drawn from the industry that has asked for help, and have no desire to teach full-time at a community college. Yet their use counts against the 25 percent part-time faculty maximum fixed by law, which reduces the colleges' ability to hire other part-time faculty for campus-based courses that are not part of the contract education program.

[30]The California Community College Economic Development Network (ED>Net) is a state-level community college initiative that has made important strides in coordinating college services to business and industry throughout California. It is run as a separate unit outside of the Chancellor's Office (and is not based in Sacramento), since the organization of the Chancellor's office as a state (Civil Service system) agency would make it impossible for ED>Net to be part of the Chancellor's Office and still hire the best entrepreneurs from the colleges. Support for ED>Net operations comes largely from state economic development funds, other state training funds, and private industry.

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few incentives in the system for cooperation, so districts are often reluctant to coordinate programs or activities in order to foster community or regional economic growth.

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The preceding discussion has argued that the current governance system impedes greater college efficiency, accountability, and responsiveness to individual, community, and statewide needs. Redesigned governance is needed both to improve the efficiency and effectiveness of college operations and to enable the colleges to participate fully in local, regional, and statewide economic development. The next section of this paper discusses a model for such a redesign.

C. RESTRUCTURING GOVERNANCE

The evidence of the last several decades is compelling: Significant improvements in community college efficiency, effectiveness, and accountability are unlikely to be achieved through highly directive statutes and regulations. Many observers believe that if, despite enrollment growth and limited resources, the community colleges are to maintain open access, improve the quality of instruction, and increase their support of community, regional, and statewide economic development, they must finally take the "next step" to a fully unified and coherent postsecondary system that protects and increases local autonomy and strengthens accountability. In this system, key education policy decisions would be made within the context of common statewide standards and accountability by skilled professionals who are closest to the issues. To simplify matters, we will call this governance principle ***coordinated decentralization.***

How could a *coordinated decentralized* governance system be designed? Different parties at interest are likely to answer this question in different ways, and a serious state-wide debate on this subject is long overdue. The starting point for such a debate should be a coherent model of governance that presents design options for discussion. The following pages present such a governance model, consistent with the principle of *coordinated decentralization.* The design options can be summarized as follows:

1. The Board of Governors would assume from the legislature the principal governing authority for the system.

2. The Board would in turn delegate broad authority for college operations to local districts.

3. Chancellor's Office staff would become employees of the California Community Colleges, and would no longer be hired under the laws of the Civil Service system.

4. District governing boards would be expanded to include appointed members representing sectors with a high stake in the community colleges, and would emphasize policy oversight for accountability.

5. The system would establish high common student performance standards and institute accountability procedures centered on student performance assessments.

6. The systemwide budget would include incentive funds for support of statewide priorities and outstanding programs.

7. The community college data system would be improved and linked to employment development data sources.

These design options are discussed more fully below.

Design Component 1. ***The legislature would delegate central authority for the statewide governance and administration of the community colleges to the Board of Governors. Existing legislation that conflicts with the delegation of authority to the Board of Governors would be repealed.***

This delegation would constitute a broad statutory transfer of authority from the legislature, with authority consolidated in the Board of Governors as the systemwide governing agency. The Board would cease to be a state agency regulating a system of colleges on behalf of the legislature; it would instead be part of a single, unified postsecondary system comprised of the colleges and their systemwide governing board. In order to enhance the Board's status and political representativeness and establish stronger links to the legislature and the Governor, the Board would be appointed by the Governor (subject to State Senate approval) from a list of candidates put forward by key stakeholders in the state, and expanded to include as ex officio members the Governor, Lieutenant Governor, Speaker of the Assembly, Superintendent of Public Instruction, and Community Colleges Chancellor.[31] Staggered terms for Board members would be increased from six to eight years. As with all education segments, the Governor and legislature would approve the community colleges' annual appropriation and capital outlay funding and establish the broad mission of the

[31]The 1986-87 Commission for the Review of the Master Plan for Higher Education recommended adding all of these ex officio members.

system. The legislature would also retain statutory control over a limited number of policy areas where it has traditionally directed the activities of the higher education segments.[32] Beyond these policy areas, laws currently governing the Board of Governors or community college districts would be repealed. The legislature would define in broad terms the activities and functions of the BOG, but would not direct in statute the specific manner in which these responsibilities were to be met; it would also repeal most laws directing the activities of local districts.

In a *coordinated decentralized* governance system, the BOG would act only where systemwide interests were at stake. It would allocate the total system budget among districts, set student admission standards and student fees, and establish broad personnel rules subject to state collective bargaining laws. It would also retain the authority to remove district CEOs and hold district administrators accountable for meeting broad performance goals (discussed below). The Board would establish a system-wide salary schedule, with grandfathering provisions to protect existing salaries and variations to account for local cost of living differences; collective bargaining would be conducted at the system level. System-level collective bargaining could gradually introduce more equity into salary structures, reduce district costs by eliminating 71 separate sets of negotiations, and remove a key source of conflict between faculty and administration at the district level, freeing all parties to focus more of their attention on educational programs.[33] Shared governance reforms instituted by AB 1725 would be retained as Board regulations. The Board would also set student performance standards (discussed below), and establish a system for holding colleges accountable for outcomes (also discussed below). The Board could direct inter-district cooperation in the

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[32]Including the structure of intersegmental relations (and the role of the California Postsecondary Education Commission), contracting and competitive bidding procedures, student residency requirements, requirements for maintaining the privacy of student records, procedures for collective bargaining, and the creation of new colleges.

[33]Some faculty have expressed the hope that by narrowing the difference between faculty and administrators salaries, a statewide salary schedule would encourage more faculty to assume temporary administrative duties without feeling that career advancement requires them to give up teaching. By removing a source of faculty-administration friction at the district level, statewide collective bargaining could also facilitate collegial decision making as part of local shared governance procedures.

interests of program coordination, economic development, or other regional or statewide interests, but would ordinarily broker and coordinate college economic development activities and negotiate with colleges the nature and extent of their cooperative ventures with the private sector, the establishment of new campuses, and shared research and development activities.

Design Component 2. ***The Board of Governors would delegate broad authority for local college operation to local districts, and existing BOG regulations that interfere with this delegation of authority would be repealed.***

As suggested above by *Design Component 1*, the Board would regulate local district processes only in areas where systemwide procedures need to be uniform (e.g., data management and accountability procedures), where regulations were needed to ensure fairness and equity across the system (e.g., broad personnel rules), or where there was a compelling policy concern (e.g., assuring local delegation of authority on academic matters to faculty senates). Many current BOG regulations were promulgated as a result of statutory directives specifying Board responsibilities for approving or directing college decisions. On the whole, these regulations would be repealed, nor would the Board substitute new regulations for district-related statutes repealed in keeping with governance restructuring. Decisions for most college operations would be delegated by the BOG to local colleges and districts.

The risk of centralizing authority in the Board of Governors is that the Board might merely substitute new regulations for much of the statutory language that now controls local college processes. This risk could be overcome through prior Board agreement (i.e., as a condition for broad political support of the new governance model) to deregulate community college governance by delegating the bulk of its authority to the district level. This delegation is permitted by state law and would give new meaning to existing statutory language directing the Board to maintain maximum local authority and control. In order to ensure local flexibility to experiment with innovations, work closely with employers, try new programs, and introduce efficiencies, the BOG would establish high standards for student

outcomes (discussed below) and leave it largely up to the districts to decide how to achieve those outcomes. Districts would decide what programs and courses to offer, how to meet the objectives of programs currently funded through categorical budget allocations, and what special programs to mount, if any.[34] They would establish faculty development programs; standards for student graduation, probation, dismissal, and readmission; and personnel and employment rules consistent with systemwide rules and collective bargaining agreements. Local academic senates would decide who was fit to teach at their colleges, and districts would be free to employ their human and capital resources to earn money that could supplement their funding from the state budget.

Design Component 3. ***The authority of the Chancellor's Office would be constitutionally changed to enable its effective execution of statewide policies and administration, and Chancellor's Office capabilities would be enhanced.***

By constitutional amendment, the Chancellor's Office would be removed from the state Civil Service system, and all Chancellor's Office employees would become employees of the California Community Colleges, subject to personnel and employment rules established by the Board of Governors. This would make it possible for the Chancellor's Office to employ staff who had served at a district or college and were acquainted with local issues, and Chancellor's Office staff could work on temporary assignment in districts without giving up employment rights or benefits. As state funds permitted over time, new staff and computer capability would be added in order to enhance the capacity of the Office. Significant net staff additions should not be necessary as the Chancellor's Office shifts its operations away from compliance monitoring to technical support of the districts.

These changes would bring the authority and capabilities of the Chancellor's Office into line with its enlarged scope of responsibilities and greatly strengthen the Chancellor's ability

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[34]One of the risks inherent in delegating broad authority to local districts is the possibility that they would act against the interests of classes of students or college personnel now protected to some degree by legislation or regulation. Yet, if mandated processes are needed in order to assure desired outcomes, the districts are likely to find that the same or very similar processes will be needed even without mandates. And if desired outcomes can be achieved without those processes, there would be little reason to maintain them.

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to provide technical assistance and other services to districts. As the executive arm of the Board of Governors, the Chancellor's Office would have the authority to require and facilitate local program coordination and cooperative planning, including joint facility use, and would play a major role in leading and coordinating the statewide implementation of instructional technology. It would also have expanded data, evaluation, and accountability responsibilities, and a major R&D function that would be shared with local districts. Among its other responsibilities, the Office would broker and coordinate community, regional, and statewide economic development activities and provide technical assistance to districts on fiscal, long-run planning, technology, and data management issues.

Design Component 4. ***Local district governing boards would be expanded to include appointed members representing sectors with a high stake in the community colleges, and would emphasize policy guidance and oversight for accountability.***

By legislation, district governing boards would be expanded to include at least three additional members representing sectors of the community that have a high stake in the efficiency, effectiveness, and responsiveness of their community colleges, including local employers, other education segments, and community agencies. The additional members would be designated by their organizations as board appointees; the organizations to be represented would be agreed to by the elected members of the board with the advice of the district CEO. The majority of local board members would be elected by their communities as they are now. The boards would be charged by the legislature to delegate broad authority to district CEOs and to concentrate on articulating district goals, providing broad policy guidance, and exercising oversight for accountability. Legislation encouraging boards to engage in administrative decision making would be repealed. Board members would be reimbursed for out-of-pocket expenses related to their duties, but would receive no additional remuneration.[35]

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[35]Local board members can now be paid stipends and fringe benefits from district budgets. Not all districts pay their board members, but many do, and in some cases the remuneration is substantial, with benefits exceeding those provided to district employees.

Local governing boards often successfully represent the general interests of a broad electorate; they are less often successful in articulating the interests of key sectors of their community with a special interest in the efficiency and effectiveness of the community colleges. Employers and other education segments, in particular, have such interests and should consistently be represented on local boards; at a time when colleges will be asked to meet significantly higher standards of education and training, the views of these broader stakeholders will be especially important.

A recurring criticism of some governing boards is that they become involved in detailed process and administrative matters, which consumes scarce administrator time and thereby impairs district efficiency. The alternative would be an explicit recognition that the appropriate role of the board is goal setting, policy guidance, and oversight to ensure that district policies are carried out and district objectives are met; authority to decided on district processes would be delegated to administrators. This parallels *Design Component 2*, which emphasizes the decentralization of authority and accountability for outcomes rather than the regulation of processes.[36]

Design Component 5. ***The BOG, in concert with the colleges, the four-year segments, and the business community, would establish high, explicit student performance standards for community college programs, and institute accountability procedures centered on the assessment of student competencies .***

The Chancellor's Office would work with the Academic Senate, community college administrators, the four-year segments, and the business community to establish high standards explicitly defining the skills, concepts, and knowledge that students should learn by the time they complete a community college education. The standards would include the competencies that all students should have, plus those related to specific program concentrations and skills needed for work in various occupations.

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[36]For example, current legislation directs local governing boards to approve individual courses, establish student probation and dismissal policies, determine district academic calendars, etc. Under the principle of deregulation described here, these and related decisions would be left to district administrators who would be held accountable for results.

Working with the Academic Senate and college administrators, the Chancellor's Office would develop instruments and procedures that would be used systemwide to measure core competencies, with supplementary measures developed for assessing program-specific competencies or occupational skills. Districts would implement the competency assessment program and could include their own measures tailored to local programs. Districts would establish levels of mastery that students would need to demonstrate in order to earn an Associate degree or vocational certificate. The Chancellor's Office would provide technical assistance to districts where needed.[37] The Chancellor's Office would also identify other college performance measures that could be used to strengthen accountability, and would develop schedules for the collection, analysis, and publication of relevant data. These measures could be built on the accountability system work now in progress.

Restructured governance would give both the BOG and local districts the authority needed to hold district administrators directly accountable for results, and a strong accountability system should minimize the risk that student interests could be harmed by giving local colleges too much autonomy. In order to succeed, the accountability system would need to specify clearly the results for which colleges would be held accountable, and implement procedures for measuring those results with minimum ambiguity. In the system outlined above, accountability based on competency assessments would replace the multiple compliance reports now sent to the Chancellor's Office by every district; restructured governance would be focused on outcomes, not process compliance. Competency assessments would also help drive educational outcomes by illustrating what knowledge is expected to be learned and setting high standards for student achievement. Districts could also provide students with certificates denoting high levels of mastery, as an introduction to prospective employers or transfer institutions.

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[37]With the cooperation of senior segments in identifying desired competencies, there is no reason why student demonstration of such competencies in relevant areas could not eventually serve to qualify them automatically for transfer to four-year campuses, thereby eliminating most of the labor and expense now required to develop and maintain detailed articulation agreements.

Design Component 6. ***The systemwide budget would include incentive funds in addition to base funding, to enable the BOG to support statewide priorities and meritorious local programs.***

The Board of Governors would prepare and adopt a budget for the community colleges and system-level functions, adopt base funding allocation formulas that take program cost differences into account, and negotiate the budget and allocation formulas with the Department of Finance. The total budget submitted to the DOF would include funds beyond those needed for base support for district operational expenses, growth, and COLAs, with the additional funds to be spent at Board discretion.

Incentive funds would be used to support local innovative practices, the introduction of technology, professional development, and student equity programs that go beyond the practices now supported by categorical programs. The funds would also be used to reward outstanding performance and support statewide priorities such as economic development. The availability of incentive funds, together with BOG budget allocation authority, would enable the community colleges to overcome some of the dysfunctional incentives perpetuated by the current statutory budget allocation formula, and provide tools that are now lacking for pursuing innovation and systemwide priorities.

Design Component 7. ***The state would increase its investment in an integrated community college data system linked to the employment development system.***

The Board of Governors would adopt a budget that includes funding support to expand and improve the community college data system and link the system to employment development data sources.

The Chancellor's Office would refine community college data system standards and provide budget support and technical assistance to improve local data collection and management capabilities and create an integrated statewide system. Districts and the Chancellor's Office would develop the technical infrastructure for linking college data systems to employment development data at the state, regional, and local levels, in order to provide colleges with information on labor markets needs and trends.

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This paper has presented design options for restructured community college governance. *Coordinated decentralized* governance would concentrate state-level authority in the Board of Governors rather than the legislature and would ensure increased local autonomy through a delegation of authority from the BOG to local districts. It would strengthen accountability both by establishing clearer lines of responsibility in a unified system and by instituting new accountability procedures based on high, explicit performance standards and competency assessments.

In the current governance system there is no strong systemwide governing authority and the legislature has no choice but to manage the community colleges by statute. At the same time, neither the legislature nor the Board of Governors can fully ensure local compliance with the many provisions of the Education Code, and the gradual accretion of laws and regulations has eroded local flexibility. Restructured governance that emphasized decentralization, deregulation, and accountability would allow the legislature to provide unambiguous policy direction (in place of multiple and sometimes conflicting statutes) and hold an empowered systemwide governing agency accountable for results, without giving up ultimate authority. For the community colleges, it would create a unified system in which both state-level and local governing authorities had the necessary freedom and authority to institute significant improvements in efficiency and effectiveness.

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